

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
AT&T CORP.,)	
)	Docket No. 17-56
Complainant)	
)	Bureau ID No. EB-07-MD-001
vs.)	
)	
IOWA NETWORK SERVICES, INC.)	
DBA AUREON NETWORK SERVICES,)	
)	
Defendant.)	
)	

**IOWA NETWORK SERVICES, INC. DBA
AUREON NETWORK SERVICES' OBJECTIONS AND RESPONSES TO
COMPLAINANT'S FIRST SET OF INTERROGATORIES**

Pursuant to Section 1.729(c)(1) of the Commission's Rules, 47 C.F.R. § 1.729(c)(1), Iowa Network Services, Inc. dba Aureon Network Services ("Aureon") hereby submits its objections to the interrogatories propounded by AT&T Corp. ("AT&T" or "Complainant").

GENERAL OBJECTIONS

Although Aureon will specifically object to each particular proposed interrogatory and document production request as is appropriate, the following general objections are set forth to preserve applicable objections.

1. Aureon objects to each and every one of Complainant's "Instructions and Definitions" to the extent that Complainant purports to abrogate any of Aureon's rights or to add to any of Aureon's obligations under the Commission's Rules.

2. No response to the proposed interrogatories or document production requests shall be construed as an acknowledgment or admission that any information provided is relevant or admissible into evidence, all such objections being expressly reserved by Aureon.

3. Aureon objects to each and every one of the interrogatories to the extent Complainant seeks materials protected by applicable privileges, including but not limited to the attorney-client privilege and/or the work product doctrine (hereafter “privileges” or “privileged”). Any inadvertent disclosures of privileged information shall not constitute a waiver of such privilege(s).

4. Aureon objects to each and every one of the interrogatories to the extent that Complainant seeks information that is not relevant to the claims or defenses of any party (or such discovery is not reasonably calculated to lead to the discovery of admissible information). Aureon reserves the right to supplement these objections.

OBJECTIONS TO INTERROGATORIES

ATT-INS 1: In its Tariff Filings, INS has reported changes in the percentage of call aggregation traffic transported on its network. In addition INS has produced worksheets (Aureon_01934–38 ; 02180–85 ; 02394–99 ; 02696–02708) reflecting **[[BEGIN HIGHLY CONFIDENTIAL]]**

[[END HIGHLY CONFIDENTIAL]] Please confirm that these calculations are the back-up for the statements in INS’s Tariff Filings concerning the percentage changes in call aggregation traffic, provide an explanation of the methodology underlying the two sets of calculations set forth on the worksheets, explain the differences between those calculations and identify which calculations were used in connection with the statements in INS’s Tariff Filings, identify the LECs to which the call aggregation traffic was directed, and state the volume of call aggregation traffic directed to each identified LEC.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that it will respond to this interrogatory.

Aureon confirms that the calculations are the back-up for the statements in Aureon’s Tariff Filings

concerning the percentage changes in call traffic. Aureon further states that the percentage changes in traffic volumes in the Description and Justification for each of Aureon's tariff filings are generated from Schedule DMD-4 worksheet accompanying each tariff filing in the Tariff Review Plans ("TRPs"). The information for the TRP interstate traffic volumes is derived from the minutes of use ("MOU") forecasts provided by Aureon using data contained on the worksheet labeled "Budgeted Centralized Equal Access Revenues."

With respect to the difference in MOUs referenced in the CEA MOU reports, the "Bob Sherlock's Martin system" identified the traffic recorded by the switch on each of its trunks. However, not all of this traffic contained valid call detail necessary to bill the traffic to the appropriate carrier. As a result, Aureon used MOUs captured from its billing systems to generate MOUs for use with its cost allocations and CEA rate development. Aureon used the information from Sherlock's legacy system as a reasonableness test for the billed traffic and a way to measure estimated bridge traffic. Estimated call aggregation traffic is not measureable out of the billing system. This additional traffic-estimating data is necessary to forecast regular vs. call aggregation MOUs and the utilization of historical trending of traffic patterns.

ATT-INS 2: Identify the entity or entities that INS has contracted with to provide either (a) the “High Volume Traffic Contract Tariff No.1” service referenced in INS’s April 14, 2017 Tariff Filing (Transmittal No. 33) or (b) the “volume discount” service referenced in INS’s May 16, 2017 Tariff Filing (Application No. 8 Transmittal No. 35); identify and produce all communications and correspondence concerning those services as well as all back-up material (including Excel Spreadsheets, in native format) that INS relied upon in making those filings; and explain how both the proposed rate for these services (\$0.00649 per minute) and the estimated fully distributed cost (\$0.00604 per minute) were developed.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that it will identify the entity or entities that it has contracted with to provide either (a) the “High Volume Traffic Contract Tariff No.1” service referenced in Aureon’s April 14, 2017 Tariff Filing (Transmittal No. 33) or (b) the “volume discount” service referenced in Aureon’s May 16, 2017 Tariff Filing (Application No. 8 Transmittal No. 35). Aureon further states that it will provide all relevant communications and correspondence concerning those services, as well as all backup materials that Aureon relied upon in making those filings.

ATT-INS 3: Confirm that INS has produced all agreements with LECs to which call aggregation (i.e., access stimulation) traffic was directed over the INS network during the period 2012 to the present, including but not limited to all agreements with [[BEGIN CONFIDENTIAL]] [REDACTED] [[END CONFIDENTIAL]] To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. Aureon does not know the identity of all the LECs to which call aggregation traffic was directed over the CEA network during the period 2012 to the present. Notwithstanding the foregoing objections, to the extent such material has not been produced, Aureon states that it will produce any additional agreements that it has with the seven LECs identified by AT&T in its November 8, 2016 informal document requests, *i.e.*, Great Lakes Communication Corp., BTC, Inc. (d/b/a Western Iowa Networks), Premier Communications, Omnitel Communications, Inc. and/or FMTC Communications, Goldfield Tel. Co. and/or Goldfield Access Network, Interstate 35 Tel. Co. and/or Interstate Cablevision Co., and Louisa Communications.

ATT-INS-4: State whether INS has had any dealings or other relationships with any entity that provides chat or conference call services or that is otherwise engaged in access stimulation, and for each such entity, state the nature of the relationship and identify and produce any communications, correspondence or other documentation relating to that relationship, including any agreements with any such entities.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, and requests information that is irrelevant. The terms “dealings” and “relationships” are vague and overbroad, and does not provide sufficient specificity for Aureon to determine whether a contact with a particular entity constitutes a “dealing” or “relationship” for purposes of this interrogatory. Furthermore, Aureon does not know the identities of all entities that are engaged in access stimulation. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission’s rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Notwithstanding the foregoing objections, Aureon states that the company has neither been nor is it currently a party to any agreements, whether written, oral, or otherwise, with any entities involved in access stimulation with the intent of sharing revenues, expenses, or profits related to such activities.

ATT- INS-5: Confirm that all backup materials (including Excel Spreadsheets, in native format) that INS relied upon for the Tariff Filings it made to the FCC on or about June 16, 2010; June 26, 2012; June 17, 2013; June 14, 2014; and June 16, 2016 have been produced. To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that the information provided in PDF format earlier to AT&T are the only materials relied upon when producing the identified tariff filings submitted on behalf of Aureon. For each year requested, Aureon has provided the capital budget for projected changes in plant balances, the five-year operating budget for projected test period revenue and expense amounts, CEA and State MOU historical and forecasted data for development of jurisdictional traffic ratios and output reports including cost allocations between divisions (Part 64), Access Division cost allocations between jurisdictions (Part 36), and Access Division interstate cost allocations by access element (Part 69). These are the schedules relied upon by Aureon management and its consultants to support the CEA rate calculations in each of its interstate rate filings. Previously provided materials in PDF format will be produced in native format.

ATT-INS-6: In the Tariff Filings identified in Interrogatory #5, the supporting material purports to show a division of “Total Company” costs between the “Access Division” and “All Other”. See Section 5, Part 64 Separations, Schedules S-1, S-2 and S-8. Identify by name each division or affiliate of INS included within “All Other” especially as it relates to the following accounts: 2210 (Central Office Switching Equipment), 2230 (Central Office Transmission Equipment), 2410 (Cable & Wire Facilities), 3100 (Accumulated Depreciation), 4100 (Net Current Deferred Operating Income Taxes), 6110 (Network Support Expenses), 6120 (General Support Expenses), 6210 (Central Office Switching Expenses), 6410 (Cable & Wire Facilities Expenses), 6510 (Other Property, Plant and Equipment Expenses), 6530 (Network Operations Expense), 6720 (General and Administrative), 6561 (Depreciation Expense – Plant in Service) and 7240 (Other Operating Taxes), and confirm that all documents supporting the calculation and allocation of costs on these Schedules have been produced. To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that the divisions included with the “All Other” category are as follows: the Parent, the Network, and the Products Divisions. Aureon further states that, as set forth in Aureon’s response to Interrogatory ATT-INS-5, Aureon will provide native copies of the output cost allocation reports with formulas intact supporting the calculation and allocation of Aureon’s costs requested by AT&T, which include Accounts 2210, 2230, 2410, 3100, 4100, 6110, 6120, 6210, 6410, 6510, 6530, 6720, 6561, and 7240 between divisions (Part 64) and by jurisdiction (Part 36) and access element (Part 69) for the Access Division.

ATT-INS 7: With respect to account 6410 (Cable & Wire Facilities Expenses), confirm that this account includes the lease costs that INS's Network Division charges to INS's Access Division, identify any other costs that are included in this account, explain the methodology pursuant to which the total lease cost charged by INS's Network Division is calculated, state whether during the period 2010 to 2017 that methodology changed (and, if so, explain the changes), and identify and provide copies of any documents relating to the calculation and allocation of the lease costs included in account 2410.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that Account 6410 (Cable & Wire Facilities ("CWF") Expenses) includes the lease costs that Aureon's Network Division charges to the Access Division. Aureon further states that lease costs are directly assigned to the division to which it is charged. All non-lease expenses in Account 6410 are assigned to undistributed costs and allocated on the basis of CWF investment in Account 2410. Since all CWF investment in Account 2410 is assigned to the Network Division, all Account 6410 undistributed expenses are thereby assigned to the Network Division. Network lease costs are periodically tested for reasonableness based on an analysis of costs derived from the Network Division.

ATT-INS 8: In the Tariff Filings identified in Interrogatory #5, the supporting material purports to show a division of costs between “IntraLata”, “InterLATA” and “Other”. See Section 4, Part 36 Separations, Schedules S-1, S-2 and S-8. Explain what the “Other” category includes and confirm that all documents have been produced that support the attribution of amounts reported as associated with “InterLATA” versus “Other” for the following accounts: 2210 (Central Office Switching Equipment), 3100 (Accumulated Depreciation), 6120 (General Support Expenses), 6210 (Central Office Switching Expenses), 6410 (Cable & Wire Facilities Expenses), 6510 (Other Property, Plant and Equipment Expenses), 6530 (Network Operations Expense), 6720 (General and Administrative) and 6560 (Depreciation and Amortization Expenses). To the extent that such material has not been produced, identify the withheld material and either state the basis for withholding that material or produce the withheld information.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that within Section 4, Part 36 Separations, Schedules S-1, S-2, and S-8, the “Other” column reflects the allocation of Access Division investments, reserves, revenues, and expenses related to (1) the provision of intrastate CEA service; (2) service provided to commercial mobile radio service (“CMRS”) providers for intraMTA traffic, and (3) service provided to non-nomadic VoIP providers related to their provision of competitive local exchange service. Investments and reserves allocated to the Other category are based on a ratio of MOU presented in the traffic factor development worksheets provided in the cost support material. Revenues are directly assigned to the Other category, and operating expenses and taxes are allocated on the basis of the attribution associated with the expense being allocated. For example, plant expenses are allocated on the basis of the corresponding plant account, whereas business office expenses are allocated on the basis of billed revenues. The basis for allocation of each account is referenced in the cost allocation schedules (S-1 through S-12) in the cost support material that Aureon will provide to AT&T.

ATT-INS 9: In its 2008 Tariff Filing, INS noted that “[t]he higher than normal increase in interstate traffic for the projected test period results primarily from more accurately classifying the jurisdiction of both call aggregation traffic and the Percent Interstate Use (PIU”) adjustments during the year 2008 based on new traffic recording equipment and the procedures implemented by INAD.” INS also indicated that “[f]or the test period ended June 30, 2009, INAD projects 1.6 billion terminating conference call minutes generated by call aggregators of which 78% is projected to represent interstate calling versus 48% in 2007.” State the specific reasons that INS was able to “more accurately” classify in 2008 “the jurisdiction of both call aggregation traffic” and the PIU adjustments and explain the basis of INS’s estimate that 78% of the projected access stimulation traffic would be interstate. Also state whether further changes have been made in INS’s procedures for estimating the PIU adjustments and identify, for each year since 2008, the percentage of call aggregation traffic that was estimated to be interstate as opposed to intrastate traffic.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Notwithstanding the foregoing objections, Aureon states that the intrastate and interstate traffic allocations are simply a function of the traffic on the network, and modeling in the cost studies.

The change in PIU factor was due to upgrades in Aureon’s equipment to better track the jurisdiction of the calls on the CEA network as was noted in the 2008 Tariff Filing. In 2007, Aureon upgraded its CEA switches, which enabled Aureon’s billing system to process and download call records directly from the switch, rather than from a legacy third-party system that had been in place for years. Around that same timeframe, Aureon implemented a new billing system that converted the jurisdiction calculation from using JIPs (jurisdiction information parameters) and location routing numbers (LRNs) to originating and terminating numbers. This change resulted in more accurate identification of interstate calls because while most Iowa LECs included JIP and/or LRN information with their call data, traffic from other carriers did not include that information. Before the upgrade, the identification of intrastate traffic was considerably more accurate than the identification of interstate traffic. Since the jurisdiction of “unknown traffic” was proportioned based on the traffic of “known” traffic, improving the identification of interstate traffic not only increased the number of calls that could be identified by call records, it also altered

the PIU that was applied to unknown traffic. Aureon's interstate PIU factors used for its tariff filings are based on the best available information that it has regarding the traffic on the CEA network, and Aureon's CEA interstate tariff rate takes that information into account.

It is important to note that the reference to the interstate percentage increasing from 48% to 78% on call aggregation in Aureon's 2008 TRP filing – Description and Justification, appears to be a typographical error in the tariff filing narrative.¹ The 78% figure is for ALL traffic – call aggregation and regular traffic – based on estimates after the new PIU usage factors were implemented.

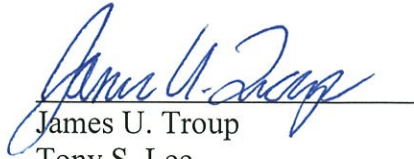
¹ INAD Tariff F.C.C. No. 1, July 1, 2008 Annual Access Charge Tariff Filing, Description and Justification at 3-4, June 24, 2008.

ATT-INS 10: For each year since 2011, identify the number of DS-3 circuits that INS has provided and for each such circuit provide the name of the LEC or other carrier to which the circuit was provided, the length of haul and the rate charged including all rate components both recurring and non-recurring. Further, for each LEC to which call aggregation (i.e., access stimulation) traffic was directed over the INS network during the period 2012 to the present, state whether any of those LECs purchased DS-3 circuits from INS during that period and, if so, identify each such LEC and provide (by year for each such LEC) the volume of traffic routed over those DS-3 circuits and the revenue derived by INS from that traffic.

Objection and Response: Aureon incorporates its General Objections as if fully set forth herein.

Aureon further objects to this interrogatory because it is vague, overbroad, and unduly burdensome, requests information that is irrelevant, and requests information that is beyond the statute of limitations, which with respect to AT&T's claims, is August 2012. Aureon does not know the identity of all the LECs to which access stimulation traffic was directed over the CEA network during the period 2012 to the present. The existence of an access revenue sharing agreement is an essential element of access stimulation, as defined by the Commission's rules. Aureon is not a party to any access revenue sharing agreement, and lacks knowledge of all entities that are parties to such agreements. Notwithstanding the foregoing objections, Aureon states that it will produce information regarding DS-3 circuits it has with the seven LECs identified by AT&T in its November 8, 2016 informal document requests, *i.e.*, Great Lakes Communication Corp., BTC, Inc. (d/b/a Western Iowa Networks), Premier Communications, Omnitel Communications, Inc. and/or FMTC Communications, Goldfield Tel. Co. and/or Goldfield Access Network, Interstate 35 Tel. Co. and/or Interstate Cablevision Co., and Louisa Communications.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James U. Troup", is written over a horizontal line.

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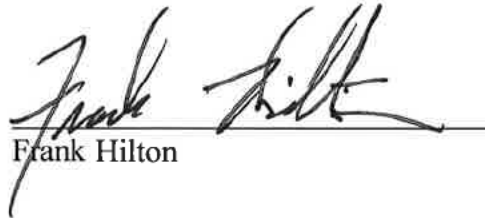
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Counsel for Iowa Network Services, Inc.
dba Aureon Network Services

Dated: June 28, 2017

CERTIFICATION

I, Frank Hilton, Vice President of Business Consulting for Iowa Network Services, Inc.
d/b/a Aureon Network Services, hereby certify that I have read the foregoing responses to
AT&T's First Set of Interrogatories, and the responses therein are truthful and correct to the best
of my knowledge, information, and belief.



Frank Hilton

CERTIFICATE OF SERVICE

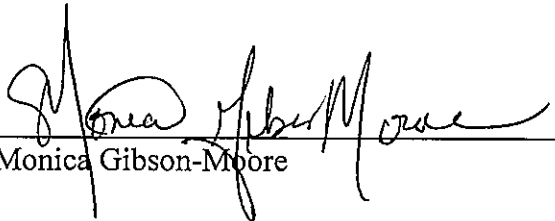
I, Monica Gibson-Moore, do hereby certify that on this 28th day of June, 2017, copies of the foregoing Objections and Responses of Iowa Network Services, Inc. d/b/a Aureon Network Services were sent to the following:

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